



November 23, 2010

Kathleen Billingsley
Assistant Executive Officer
400 Q Street – 2nd Floor
Sacramento, California 95814

RE: Actuarial Valuation of the CalPERS Long Term Care Program as of June 30, 2010 –
Updated Using Policies Inforce as of September 30, 2010

Dear Ms. Billingsley,

We have updated our annual valuation as of June 30, 2010 using data from policies inforce as of September 30, 2010. The purpose of this letter and attachments is to briefly present the results of this update.

Background

United Health Actuarial Services, Inc. (UHAS) was retained by the California Public Employee Retirement System (CalPERS) Long Term Care (LTC) Program to perform an actuarial valuation of CalPERS LTC operations as of June 30, 2010 along with supporting analyses. Specifically, our assignment was to develop a projection of future cash flows and to evaluate the adequacy of current assets and premium levels based on those cash flows.

As a reminder, the 2009 annual valuation reported the “base case” deficit as (32.60%). The 2010 annual valuation reported the “base case” deficit as (86.52%) without the approved rate increases, (2.98%) with the approved rate increases and corresponding assumptions, and (18.85%) with the approved rate increases and corresponding assumptions but with a decreasing discount rate.

In December of 2009, corrective actions were approved by the CalPERS Board, which included the following:

- LTC Program premium increases effective on July 1, 2010, for the following:
 - 22% for members with LTC1 and LTC2 policies and inflation protection;
 - 22% for members with LTC1 and LTC2 policies and lifetime coverage but without inflation protection; and,
 - 15% for all other members.
- LTC Program annual premium increases of 5% beginning July 1, 2011, for those members with LTC1 policies with lifetime coverage and inflation protection.

Approach and Methodology

To perform the September 30, 2010 update, we made the following adjustments to the June 30, 2010 projections.

- We removed the 2010 assumed rate increase adjustments effective July 1, 2010.
- We substituted the inforce data as of September 30, 2010 for the corresponding inforce data as of June 30, 2010. The updated inforce data includes premiums which reflect the actual July 1, 2010 rate increase implementation.
- For those members who, because of their billing mode, had not received the rate increase as of September 30, 2010, we made premium adjustments to account for the delay in the implementation of their rate increase.
- We removed the assumed shock lapses and conversions associated with the 2010 implemented rate increase because the updated inforce reflected actual shock lapses and conversions. Please note that any additional conversions and shock lapses would likely have a net positive impact on the Program.
- We updated the model to reflect the revised valuation date, including inflation adjustments for expenses;
- For each of the policies on claim as of June 30, 2010 that lapsed on or before September 30, 2010, we transferred their claim reserve into the corresponding incurred-but-not-reported liability making sure that no valuation claim dollars were “lost” through the updating process; and,
- We updated the fund balance with data supplied by CalPERS staff.

Fund Comparison

The reconciliation between the actual versus expected fund balance as of September 30, 2010 showed that actual paid claims and expenses were within 1% of expected. Because there were only three months elapsed between the June 30, 2010 and the September 30, 2010 update, the timing of the modeled collected premium was different than actual collected premium; however, on an annual basis, these differences are not anticipated to be significant. The investment returns during this short timeframe were much greater than expected thus causing an overall increase in the fund balance over what was expected of over \$178.5 million.

Actual versus Expected Shock Lapses and Conversions

The June 30, 2010 valuation report assumed shock lapses and voluntary reductions in benefits resulting from the 2010 rate increases. As noted above, we updated the annual valuation with September 30, 2010 inforce data which effectively replaced the 2010 shock lapse and benefit reduction assumptions with actual experience.

The following tables summarize assumed shock lapses and conversions utilized in the June 30, 2010 valuation report and the corresponding actual shock lapses for months April 2010 through September 2010 and conversions from July 2010 through September 2010, along with actual-to-expected ratios.

Shock Lapses Relating to the 2010 Rate Increase

Attained Age	Assumed	Actual	Actual-to-Expected
< 60	2.00%	1.47%	74%
60 – 69	1.25%	0.85%	68%
70 – 79	0.50%	0.42%	85%

Conversions Relating to the 2010 Rate Increase

Inflation to Non-inflation

Assumed	Actual	Actual-to-Expected
10%	0%	0%

The option to drop the inflation coverage was not offered in the rate increase letters and therefore very few if any members chose this option in conjunction with the implementation of the rate increase.

Lifetime to Six-Year Benefit Period

Assumed	Actual	Actual-to-Expected
10%	10.6%	106%

Of those that converted from lifetime, nearly a quarter of them converted to three-year benefit period instead of the six-year benefit period. The three-year benefit period has lower expected claims compared to the six-year benefit, and thus the projected claims are lower than expected from these conversions to the three-year benefit period.

Decrease in Maximum Daily Benefit Amount

Assumed	Actual
0%	1.85% Reduction

As mentioned in the June 30, 2010 valuation report, decreases in the maximum daily benefit amounts were not modeled because they were not expected to have a significant impact to the results. The reduction of nearly 2% of the maximum daily benefits will lower the projected claims.

Results

Before the updated fund balance, the valuation results as of September 30, 2010 are a deficit of (5.61%), which corresponds to the “base case” scenario from the June 30, 2010 valuation with the deficit of (2.98%) (i.e., Scenario A(1b)). These updated results are not as favorable as projected because the conversions were fewer than expected. Updating the fund to the actual September 30, 2010 balance, the final September 30, 2010 margin is 0.10%, or breakeven. The above results are summarized below:

Valuation Date and Scenario	Results
6/30/2010 for “base case” A(1b), i.e. financial reporting results	(2.98%)
9/30/2010 comparable to “base case” A(1b) without the update Fund Balance	(5.61%)
9/30/2010 comparable to “base case” A(1b) with the update Fund Balance	0.10%

This result was obtained by including the 2010 approved rate increase and by using a valuation discount rate of 6.38%. The chart below shows results under alternate scenarios valued at September 30, 2010.

September 30, 2010 Fund Balance under alternate scenarios			
Valuation Discount Rate	A(1b) With Approved Rate Increases	A(1c) With Approved Rate Increases and Decreasing Discount Rate to 5.5% by July 2018	Notes
6.38%	(5.61%)	(22.38%)	uses projected Fund Balance as of 9/30/2010
6.38%	0.10%	(16.90%)	uses updated Fund Balance as of 9/30/2010
7.79%	29.16%	(11.20%)	uses updated Fund Balance as of 9/30/2010

Detailed projection results – using either the projected fund balance or the actual September 30, 2010 Fund Balance as noted above – are shown on Attachment A. A comparison of inforce data at June 30, 2010 and at September 30, 2010 is shown on Attachment B.

Recommendations

Given the results of this valuation and the supporting analyses, we recommend the following actions:

- That we provide liability projections under various investment returns as requested by CalPERS investment staff to support the development of the investment strategy to reduce the volatility of Program financial results going forward; and,
- That we closely monitor emerging experience and report to CalPERS staff on a quarterly basis regarding actual versus projected experience.

Caveats and Limitations

All caveats and limitations applicable to the annual valuation and report are applicable to this valuation update and report as well.

Conclusions

Please feel free to contact us directly to discuss anything presented in this report. Our contact information is shown below.

Sincerely,



Karl G. Volkmar, FSA, MAAA, FCA
Principal & Consulting Actuary
(317) 575-7672
kvolkmar@uhasinc.com



Clark A. Heitkamp, FSA, MAAA, LTCP
Consulting Actuary
(402) 289-1171
cheitkamp@uhasinc.com.

Attachments: Attachments A(1) through A(6) – Detailed Projections
 Attachment B – Distributions of Business Inforce June 30, 2010 and September 30, 2010

Attachment A

Attachment A(1)

California Public Employees Retirement System
Summary of Projected Values
All Plans

							Starting Rate:	Annual
							Investment Rate:	6.38%
							Discount Rate:	Scenario 1
Surplus/(Deficit) \$ = PV (Fund Balance + Earnings):								Scenario 1
Surplus/(Deficit) \$ as a Percentage of PV(Premiums):								Scenario 1
Fund Balance @ End of Projection:								
(7,470,317,541)							100.00%	100.00%
Totals - 7/2010 thru 6/2070:							5,744,772,750	20,436,071,247
As a % of Premiums:							100.00%	355.73%
Totals - Present Values:							3,122,648,158	5,636,594,456
As a % of PV(Premiums):							100.00%	180.51%
(175,264,235) = Standard Program Definition								
-5.61% = Standard Program Definition								
Months	Year	Lives	Total Premiums	LTC Paid Claims	RoP Claims	Total Expenses	Earnings	Investment Earnings
7-12	2010	156,371	163,062,764	70,696,802	2,780,244	9,115,969	80,469,749	85,891,392
1-12	2011	151,983	320,646,878	162,632,147	5,712,307	18,570,666	133,731,758	186,859,879
1-12	2012	147,497	312,440,204	183,291,130	5,816,237	19,194,103	104,138,734	206,390,656
1-12	2013	142,928	303,917,670	210,940,242	6,021,457	19,825,090	67,130,881	225,107,986
1-12	2014	138,301	295,268,844	236,704,383	6,047,898	20,469,397	32,047,166	242,590,499
1-12	2015	133,630	286,569,947	256,175,767	5,836,981	21,171,336	3,385,863	259,228,646
1-12	2016	128,905	277,512,021	276,772,898	5,597,553	21,851,499	(26,709,928)	275,052,602
1-12	2017	124,098	268,042,858	297,625,691	5,299,644	22,380,037	(57,262,515)	289,946,644
1-12	2018	119,224	258,185,805	317,425,944	4,895,646	22,852,997	(86,988,782)	303,862,443
1-12	2019	114,320	248,034,768	336,080,467	4,435,161	23,277,297	(115,758,158)	316,807,133
1-12	2020	109,408	237,590,511	356,185,718	4,002,217	23,702,733	(146,300,158)	328,698,826
1-12	2021	104,492	226,919,004	378,375,880	3,615,333	24,105,186	(179,177,395)	339,524,878
1-12	2022	99,552	216,081,712	401,138,171	3,237,657	24,427,564	(212,721,681)	5,707,236,075
1-12	2023	94,595	205,109,350	422,633,699	2,822,778	24,653,616	(245,000,744)	356,151,337
1-12	2024	89,654	194,072,060	442,591,513	2,422,379	24,798,988	(275,740,820)	5,904,932,947
1-12	2025	84,761	182,996,401	463,347,633	2,094,711	24,901,381	(307,347,324)	5,964,424,209
1-12	2026	79,920	171,928,312	485,945,711	1,832,154	24,947,131	(340,796,684)	5,993,230,433
1-12	2027	75,123	160,931,484	508,400,802	1,602,223	24,883,578	(373,955,119)	5,989,679,628
1-12	2028	70,370	150,059,974	528,229,043	1,366,828	24,687,313	(404,223,210)	5,954,679,380
1-12	2029	65,690	139,348,627	544,913,176	1,145,954	24,372,094	(431,082,597)	5,889,745,270
1-12	2030	61,105	128,820,339	560,820,915	961,407	23,997,822	(456,959,805)	5,793,993,896
1-12	2031	56,612	118,478,626	577,636,840	820,676	23,653,404	(483,632,294)	5,664,642,020
1-12	2032	52,214	108,367,084	594,159,411	706,548	23,194,562	(509,693,438)	5,500,160,522
1-12	2033	47,921	98,573,418	607,020,965	592,959	22,589,214	(531,629,719)	5,302,548,925
1-12	2034	43,753	89,137,981	615,359,352	479,187	21,849,037	(548,549,596)	5,074,872,352
1-12	2035	39,746	80,080,955	621,308,193	374,950	21,005,603	(562,607,791)	4,818,175,604
1-12	2036	35,923	71,478,582	626,114,534	294,863	20,080,817	(575,011,632)	4,532,312,097
1-12	2037	32,289	63,384,527	627,980,993	237,895	19,076,286	(583,910,647)	4,219,020,459
1-12	2038	28,847	55,847,364	623,860,589	18,604	17,988,987	(586,191,816)	3,883,365,463
1-12	2039	25,615	48,873,806	613,398,641	146,272	16,825,185	(581,496,291)	3,551,122,721
1-12	2040	22,617	42,467,799	599,026,052	108,483	15,628,660	(572,295,396)	3,165,894,033
1-12	2041	19,863	36,648,986	582,477,185	79,255	14,438,383	(560,345,837)	2,789,688,005
1-12	2042	17,347	31,419,670	562,953,419	59,016	13,268,787	(544,861,551)	2,405,442,336
1-12	2043	15,059	26,767,624	539,139,075	45,736	12,114,324	(524,531,510)	2,017,637,691
1-12	2044	12,995	22,661,153	511,222,370	35,048	10,971,376	(499,567,641)	1,630,832,160
1-12	2045	11,151	19,057,681	481,128,704	26,887	9,866,173	(471,964,083)	88,954,670
1-12	2046	9,519	15,924,792	450,651,398	19,970	8,819,312	(443,565,889)	869,677,829
1-12	2047	8,083	13,223,640	420,545,275	14,407	7,843,519	(415,179,560)	42,196,651
1-12	2048	6,826	10,918,320	390,148,891	10,449	6,944,095	(386,185,115)	19,316,159
1-12	2049	5,728	8,963,599	359,001,156	7,273	6,112,377	(356,157,206)	(3,141,776)
1-12	2050	4,775	7,310,299	327,823,312	4,792	5,343,446	(325,861,252)	(580,437,495)
1-12	2051	3,957	5,921,178	297,788,729	3,107	4,634,802	(296,505,460)	(923,500,085)
1-12	2052	3,259	4,762,783	269,720,027	2,071	3,992,807	(268,952,122)	(67,563,013)
1-12	2053	2,666	3,805,172	243,132,577	1,272	3,417,753	(242,746,429)	(88,197,795)
1-12	2054	2,167	3,020,491	217,421,293	700	2,905,940	(217,307,441)	(108,503,083)
1-12	2055	1,748	2,380,236	192,709,304	296	2,453,371	(192,782,736)	(128,508,101)
1-12	2056	1,399	1,860,384	169,439,709	44	2,057,224	(169,636,593)	(228,060,807)
1-12	2057	1,112	1,442,282	147,992,335	-	1,712,657	(148,262,711)	(2,872,088,893)
1-12	2058	878	1,109,096	128,464,778	-	1,414,055	(128,769,736)	(3,188,264,199)
1-12	2059	688	846,614	110,733,159	-	1,157,861	(111,044,406)	(207,008,421)
1-12	2060	536	649,518	94,691,177	-	940,278	(94,981,936)	(226,783,789)
1-12	2061	415	496,256	80,266,001	-	758,054	(80,527,799)	(246,847,270)
1-12	2062	319	376,349	67,472,442	-	607,589	(67,703,682)	(267,319,952)
1-12	2063	244	283,425	56,328,547	-	484,431	(56,529,553)	(288,332,876)
1-12	2064	185	211,922	46,756,575	-	384,199	(46,928,851)	(310,023,923)
1-12	2065	139	157,338	38,586,756	-	303,109	(38,732,527)	(332,531,618)
1-12	2066	104	116,034	31,665,077	-	237,604	(31,786,648)	(355,992,631)
1-12	2067	77	84,931	25,858,477	-	184,859	(25,958,405)	(380,543,357)
1-12	2068	57	61,678	21,012,819	-	142,816	(21,093,958)	(406,319,881)
1-12	2069	42	44,405	16,966,302	-	109,110	(17,031,006)	(433,456,682)
1-6	2070	36	17,223	7,181,077	-	44,035	(7,207,889)	(227,366,281)

Attachment A(3)

California Public Employees Retirement System
Summary of Projected Values
All Plans

						Starting Rate:	7.79%
						Investment Rate:	Scenario 1
						Discount Rate:	Scenario 1
Surplus/(Deficit) \$ = PV (Fund Balance + Earnings):		821,756,749	= Standard Program Definition				
Surplus/(Deficit) \$ as a Percentage of PV(Premiums):		29.16%	= Standard Program Definition				
Fund Balance @ End of Projection:		73,455,614,311	100.00%		100.00%		
Totals - 7/2010 thru 6/2070:		5,744,772,750	20,436,071,247	81,808,529	793,741,898	(15,566,848,924)	86,140,945,131
As a % of Premiums:		100.00%	355.73%	1.42%	13.82%	-270.97%	1499.47%
Totals - Present Values:		2,817,855,191	4,561,459,218	47,783,974	268,373,353	(2,059,761,355)	7,559,957,836
As a % of PV(Premiums):		100.00%	161.88%	1.70%	9.52%	-73.10%	268.29%
Months	Year	Lives	Total Premiums	LTC Paid Claims	RoP Claims	Total Expenses	Earnings
7-12	2010	156,371	163,062,764	70,696,802	2,780,244	9,115,969	80,469,749
1-12	2011	151,983	320,646,878	162,632,147	5,712,307	18,570,666	133,731,758
1-12	2012	147,497	312,440,204	183,291,130	5,816,237	19,194,103	104,138,734
1-12	2013	142,928	303,917,670	210,940,242	6,021,457	19,825,090	67,130,881
1-12	2014	138,301	295,268,844	236,704,383	6,047,898	20,469,397	32,047,166
1-12	2015	133,630	286,569,947	256,175,767	5,836,981	21,171,336	3,385,863
1-12	2016	128,905	277,512,021	276,772,898	5,597,553	21,851,499	(26,709,928)
1-12	2017	124,098	268,042,858	297,625,691	5,299,644	22,380,037	(57,262,515)
1-12	2018	119,224	258,185,805	317,425,944	4,895,646	22,852,997	(86,988,782)
1-12	2019	114,320	248,034,768	336,080,467	4,435,161	23,277,297	(115,758,158)
1-12	2020	109,408	237,590,511	356,185,718	4,002,217	23,702,733	(146,300,158)
1-12	2021	104,492	226,919,004	378,375,880	3,615,333	24,105,186	(179,177,395)
1-12	2022	99,552	216,081,712	401,138,171	3,237,657	24,427,564	(212,721,681)
1-12	2023	94,595	205,109,350	422,633,699	2,822,778	24,653,616	(245,000,744)
1-12	2024	89,654	194,072,060	442,591,513	2,422,379	24,798,988	(275,740,820)
1-12	2025	84,761	182,996,401	463,347,633	2,094,711	24,901,381	(307,347,324)
1-12	2026	79,920	171,928,312	485,945,711	1,832,154	24,947,131	(340,796,684)
1-12	2027	75,123	160,931,484	508,400,802	1,602,223	24,883,578	(373,955,119)
1-12	2028	70,370	150,059,974	528,229,043	1,366,828	24,687,313	(404,223,210)
1-12	2029	65,690	139,348,627	544,913,176	1,145,954	24,372,094	(431,082,597)
1-12	2030	61,105	128,820,339	560,820,915	961,407	23,997,822	(456,959,805)
1-12	2031	56,612	118,478,626	577,636,840	820,676	23,653,404	(483,632,294)
1-12	2032	52,214	108,367,084	594,159,411	706,548	23,194,562	(509,693,438)
1-12	2033	47,921	98,573,418	607,020,965	592,959	22,589,214	(531,629,719)
1-12	2034	43,753	89,137,981	615,359,352	479,187	21,849,037	(548,549,596)
1-12	2035	39,746	80,080,955	621,308,193	374,950	21,005,603	(562,607,791)
1-12	2036	35,923	71,478,582	626,114,534	294,863	20,080,817	(575,011,632)
1-12	2037	32,289	63,384,527	627,980,993	237,895	19,076,286	(583,910,647)
1-12	2038	28,847	55,847,364	623,860,589	18,604	17,988,987	(586,191,816)
1-12	2039	25,615	48,873,806	613,398,641	146,272	16,825,185	(581,496,291)
1-12	2040	22,617	42,467,799	599,026,052	108,483	15,628,660	(572,295,396)
1-12	2041	19,863	36,648,986	582,477,185	79,255	14,438,383	(560,345,837)
1-12	2042	17,347	31,419,670	562,953,419	59,016	13,268,787	(544,861,551)
1-12	2043	15,059	26,767,624	539,139,075	45,736	12,114,324	(524,531,510)
1-12	2044	12,995	22,661,153	511,222,370	35,048	10,971,376	(499,567,641)
1-12	2045	11,151	19,057,681	481,128,704	26,887	9,866,173	(471,964,083)
1-12	2046	9,519	15,924,792	450,651,398	19,970	8,819,312	(443,565,889)
1-12	2047	8,083	13,223,640	420,545,275	14,407	7,843,519	(415,179,560)
1-12	2048	6,826	10,918,320	390,148,891	10,449	6,944,095	(386,185,115)
1-12	2049	5,728	8,963,599	359,001,156	7,273	6,112,377	(356,157,206)
1-12	2050	4,775	7,310,299	327,823,312	4,792	5,343,446	(325,861,252)
1-12	2051	3,957	5,921,178	297,788,729	3,107	4,634,802	(296,505,460)
1-12	2052	3,259	4,762,783	269,720,027	2,071	3,992,807	(268,952,122)
1-12	2053	2,666	3,805,172	243,132,577	1,272	3,417,753	(242,746,429)
1-12	2054	2,167	3,020,491	217,421,293	700	2,905,940	(217,307,441)
1-12	2055	1,748	2,380,236	192,709,304	296	2,453,371	(192,782,736)
1-12	2056	1,399	1,860,384	169,439,709	44	2,057,224	(169,636,593)
1-12	2057	1,112	1,442,282	147,992,335	-	1,712,657	(148,262,711)
1-12	2058	878	1,109,096	128,464,778	-	1,414,055	(128,769,736)
1-12	2059	688	846,614	110,733,159	-	1,157,861	(111,044,406)
1-12	2060	536	649,518	94,691,177	-	940,278	(94,981,936)
1-12	2061	415	496,256	80,266,001	-	758,054	(80,527,799)
1-12	2062	319	376,349	67,472,442	-	607,589	(67,703,682)
1-12	2063	244	283,425	56,328,547	-	484,431	(56,529,553)
1-12	2064	185	211,922	46,756,575	-	384,199	(46,928,851)
1-12	2065	139	157,338	38,586,756	-	303,109	(38,732,527)
1-12	2066	104	116,034	31,665,077	-	237,604	(31,786,648)
1-12	2067	77	84,931	25,858,477	-	184,859	(25,958,405)
1-12	2068	57	61,678	21,012,819	-	142,816	(21,093,958)
1-12	2069	42	44,405	16,966,302	-	109,110	(17,031,006)
1-6	2070	36	17,223	7,181,077	-	44,035	(7,207,889)

Attachment A(4)

**California Public Employees Retirement System
Summary of Projected Values
All Plans**

								Annual
								Starting Rate:
								Investment Rate:
								Discount Rate:
Surplus/(Deficit) \$ = PV (Fund Balance + Earnings):								6.38%
Surplus/(Deficit) \$ as a Percentage of PV(Premiums):								Scenario 1
Fund Balance @ End of Projection:								Scenario 1
Totals - 7/2010 thru 6/2070:								
As a % of Premiums:								
Totals - Present Values:								4,090,534,550
As a % of PV(Premiums):								125.66%
(728,586,544) = Standard Program Definition								
-22.38% = Standard Program Definition								
Months	Year	Lives	Total Premiums	LTC Paid Claims	RoP Claims	Total Expenses	Earnings	Investment Earnings
7-12	2010	156,371	163,062,764	70,696,802	2,780,244	9,115,969	80,469,749	85,891,392
1-12	2011	151,983	320,646,878	162,632,147	5,712,307	18,570,666	133,731,758	186,859,879
1-12	2012	147,497	312,440,204	183,291,130	5,816,237	19,194,103	104,138,734	206,390,656
1-12	2013	142,928	303,917,670	210,940,242	6,021,457	19,825,090	67,130,881	225,107,986
1-12	2014	138,301	295,268,844	236,704,383	6,047,898	20,469,397	32,047,166	242,590,499
1-12	2015	133,630	286,569,947	256,175,767	5,836,981	21,171,336	3,385,863	259,228,646
1-12	2016	128,905	277,512,021	276,772,898	5,597,553	21,851,499	(26,709,928)	275,052,602
1-12	2017	124,098	268,042,858	297,625,691	5,299,644	22,380,037	(57,262,515)	289,946,644
1-12	2018	119,224	258,185,805	317,425,944	4,895,646	22,852,997	(86,988,782)	303,862,443
1-12	2019	114,320	248,034,768	336,080,467	4,435,161	23,277,297	(115,758,158)	316,807,133
1-12	2020	109,408	237,590,511	356,185,718	4,002,217	23,702,733	(146,300,158)	328,698,826
1-12	2021	104,492	226,919,004	378,375,880	3,615,333	24,105,186	(179,177,395)	339,324,878
1-12	2022	99,552	216,081,712	401,138,171	3,237,657	24,427,564	(212,721,681)	348,499,428
1-12	2023	94,595	205,109,350	422,633,699	2,822,778	24,653,616	(245,000,744)	356,151,337
1-12	2024	89,654	194,072,060	442,591,513	2,422,379	24,798,988	(275,740,820)	362,287,099
1-12	2025	84,761	182,996,401	463,347,633	2,094,711	24,901,381	(307,347,324)	366,838,585
1-12	2026	79,920	171,928,312	485,945,711	1,832,154	24,947,131	(340,796,684)	369,602,908
1-12	2027	75,123	160,931,484	508,400,802	1,602,223	24,883,578	(373,955,119)	370,404,314
1-12	2028	70,370	150,059,974	528,229,043	1,366,828	24,687,313	(404,223,210)	369,222,963
1-12	2029	65,690	139,348,627	544,913,176	1,145,954	24,372,094	(431,082,597)	366,148,487
1-12	2030	61,105	128,820,339	560,820,915	961,407	23,997,822	(456,959,805)	361,208,431
1-12	2031	56,612	118,478,626	577,636,840	820,676	23,653,404	(483,632,294)	354,280,419
1-12	2032	52,214	108,367,084	594,159,411	706,548	23,194,562	(509,693,438)	345,211,939
1-12	2033	47,921	98,573,418	607,020,965	592,959	22,589,214	(531,629,719)	334,018,122
1-12	2034	43,753	89,137,981	615,359,352	479,187	21,849,037	(548,549,596)	320,873,022
1-12	2035	39,746	80,080,955	621,308,193	374,950	21,005,603	(562,607,791)	305,911,044
1-12	2036	35,923	71,478,582	626,114,534	294,863	20,080,817	(575,011,632)	289,148,125
1-12	2037	32,289	63,384,527	627,980,993	237,895	19,076,286	(583,910,647)	270,619,009
1-12	2038	28,847	55,847,364	623,860,589	189,604	17,988,987	(586,191,816)	250,536,820
1-12	2039	25,615	48,873,806	613,398,641	146,272	16,825,185	(581,496,291)	229,253,550
1-12	2040	22,617	42,467,799	599,026,052	108,483	15,628,660	(572,295,396)	207,066,708
1-12	2041	19,863	36,648,986	582,477,185	79,255	14,438,383	(560,345,837)	184,139,810
1-12	2042	17,347	31,419,670	562,953,419	59,016	13,268,787	(544,861,551)	160,615,882
1-12	2043	15,059	26,767,624	539,139,075	45,736	12,114,324	(524,531,510)	136,726,865
1-12	2044	12,995	22,661,153	511,222,370	35,048	10,971,376	(499,567,641)	112,762,110
1-12	2045	11,151	19,057,681	481,128,704	26,887	9,866,173	(471,964,083)	88,954,670
1-12	2046	9,519	15,924,792	450,651,398	19,970	8,819,312	(443,565,889)	65,420,971
1-12	2047	8,083	13,223,640	420,545,275	14,407	7,843,519	(415,179,560)	42,196,651
1-12	2048	6,826	10,918,320	390,148,891	10,449	6,944,095	(386,185,115)	19,316,159
1-12	2049	5,728	8,963,599	359,001,156	7,273	6,112,377	(356,157,206)	(3,141,776)
1-12	2050	4,775	7,310,299	327,823,312	4,792	5,343,446	(325,861,252)	(25,103,225)
1-12	2051	3,957	5,921,178	297,788,729	3,107	4,634,802	(296,505,460)	(46,557,130)
1-12	2052	3,259	4,762,783	269,720,027	2,071	3,992,807	(268,952,122)	(67,563,013)
1-12	2053	2,666	3,805,172	243,132,577	1,272	3,417,753	(242,746,429)	(88,197,795)
1-12	2054	2,167	3,020,491	217,421,293	700	2,905,940	(217,307,441)	(108,503,083)
1-12	2055	1,748	2,380,236	192,709,304	296	2,453,371	(192,782,736)	(128,508,101)
1-12	2056	1,399	1,860,384	169,439,709	44	2,057,224	(169,636,593)	(148,266,089)
1-12	2057	1,112	1,442,282	147,992,335	-	1,712,657	(148,262,711)	(167,862,693)
1-12	2058	878	1,109,096	128,464,778	-	1,414,055	(128,769,736)	(187,405,570)
1-12	2059	688	846,614	110,733,159	-	1,157,861	(111,044,406)	(207,008,421)
1-12	2060	536	649,518	94,691,177	-	940,278	(94,981,936)	(226,783,789)
1-12	2061	415	496,256	80,266,001	-	758,054	(80,527,799)	(246,847,270)
1-12	2062	319	376,349	67,472,442	-	607,589	(67,703,682)	(267,319,952)
1-12	2063	244	283,425	56,328,547	-	484,431	(56,529,553)	(288,332,876)
1-12	2064	185	211,922	46,756,575	-	384,199	(46,928,851)	(310,023,923)
1-12	2065	139	157,338	38,586,756	-	303,109	(38,732,527)	(332,531,618)
1-12	2066	104	116,034	31,665,077	-	237,604	(31,786,648)	(355,992,631)
1-12	2067	77	84,931	25,858,477	-	184,859	(25,958,405)	(380,543,357)
1-12	2068	57	61,678	21,012,819	-	142,816	(21,093,958)	(406,319,881)
1-12	2069	42	44,405	16,966,302	-	109,110	(17,031,006)	(433,456,682)
1-6	2070	36	17,223	7,181,077	-	44,035	(7,207,889)	(227,366,281)

Attachment B

Attachment B

CalPERS LTC Program
Distributions of Business Inforce as of 6/30/2010 and 9/30/2010

By Benefit Period and Elimination Period

Benefit <u>Period</u>	Elimination <u>Period</u>	6/30/2010 <u>Count</u>	9/30/2010 <u>Count</u>	9/30/2010 / 6/30/2010
6 Month	30 Day	8	186	2225.0%
1 Year	30 Day	2,195	2,324	5.9%
2 Year	30 Day	4,119	3,755	-8.8%
3 Year	90 Day	31,563	33,251	5.3%
6 Year	90 Day	8,715	15,128	73.6%
Lifetime	90 Day	112,928	103,629	-8.2%
Total		159,528	158,273	-0.8%

By Issue-Age Band and Gender

Issue-Age Band	6/30/2010		9/30/2010		9/30/2010 / 6/30/2010	
	Females	Males	Females	Males	Females	Males
< 30	497	272	490	271	-1.4%	-0.4%
30-39	4,687	2,848	4,651	2,818	-0.8%	-1.1%
40-44	6,331	3,515	6,291	3,495	-0.6%	-0.6%
45-49	11,776	6,579	11,706	6,526	-0.6%	-0.8%
50-54	17,678	10,675	17,583	10,609	-0.5%	-0.6%
55-59	19,462	13,053	19,362	12,972	-0.5%	-0.6%
60-64	16,027	12,448	15,944	12,362	-0.5%	-0.7%
65-69	10,735	8,358	10,634	8,263	-0.9%	-1.1%
70-74	6,181	3,928	6,092	3,838	-1.4%	-2.3%
75-79	2,408	1,263	2,359	1,234	-2.0%	-2.3%
80-84	516	210	495	202	-4.1%	-3.8%
85-89	61	18	57	17	-6.6%	-5.6%
90-94	1	1	1	1	0.0%	0.0%
<u>95+</u>	-	-	-	-		
Total	96,360	63,168	95,665	62,608	-0.7%	-0.9%
Grand Total		159,528		158,273		-0.8%

By Plan Type

Plan Type	6/30/2010 <u>Count</u>	9/30/2010 <u>Count</u>	9/30/2010 / 6/30/2010
Partnership (Comprehensive)	6,322	6,265	-0.9%
Comprehensive	120,149	119,252	-0.7%
Facilities Only	33,057	32,756	-0.9%
Total	159,528	158,273	-0.8%

By Inflation

Inflation	6/30/2010 <u>Count</u>	9/30/2010 <u>Count</u>	9/30/2010 / 6/30/2010
No Inflation	45,083	44,748	-0.7%
Inflation	114,445	113,525	-0.8%
Total	159,528	158,273	-0.8%

Attachment B

CalPERS LTC Program
Distributions of Business Inforce as of 6/30/2010 and 9/30/2010

By Marital Status at time of Issue

<u>Marital Status</u>	<u>Gender</u>	<u>6/30/2010 Count</u>	<u>9/30/2010 Count</u>	<u>9/30/2010 / 6/30/2010</u>
Married	F	58,869	58,408	-0.8%
Married	M	50,259	49,800	-0.9%
Divorced	F	13,247	13,129	-0.9%
Divorced	M	3,745	3,706	-1.0%
Single	F	11,082	11,001	-0.7%
Single	M	5,436	5,383	-1.0%
Widowed	F	12,503	12,476	-0.2%
Widowed	M	2,836	2,830	-0.2%
Unknown	F	651	643	-1.2%
Unknown	M	885	882	-0.3%
Separated	F	8	8	0.0%
Separated	M	7	7	0.0%
Total		159,528	158,273	-0.8%

By Premium Mode

<u>Premium Mode</u>	<u>6/30/2010 Count</u>	<u>9/30/2010 Count</u>	<u>9/30/2010 / 6/30/2010</u>
Monthly	121,292	120,469	-0.7%
Quarterly	29,563	29,208	-1.2%
Semi-Annually	5,053	5,017	-0.7%
Annually	3,620	3,579	-1.1%
Total	159,528	158,273	-0.8%

By Underwriting Type

<u>Underwriting Type</u>	<u>6/30/2010 Count</u>	<u>9/30/2010 Count</u>	<u>9/30/2010 / 6/30/2010</u>
LF	100,392	99,434	-1.0%
MGI	32,196	32,037	-0.5%
SF	26,940	26,802	-0.5%
Total	159,528	158,273	-0.8%

By Product Series

<u>Product Series</u>	<u>6/30/2010 Count</u>	<u>9/30/2010 Count</u>	<u>9/30/2010 / 6/30/2010</u>
LTC 1	133,243	132,172	-0.8%
LTC 2	9,391	9,307	-0.9%
LTC 3	16,894	16,794	-0.6%
Total	159,528	158,273	-0.8%